

The Voting Rights Act does two things: It does not allow jurisdictions to discriminate against any United States citizen that wants to exercise the most sacred of all rights, and that is the right to vote. That gives you some control over your own destiny. But it does something else. It encourages and accommodates all other United States citizens that may have some sort of obstacle to overcome in order to exercise the most precious of all rights. That is what the Voting Rights Act accomplishes.

And I am hoping that tomorrow we will have this wonderful opportunity to follow in the footsteps of those true giants in 1965 that came together on both sides of the aisle to pass the original Voting Rights Act.

PROTECT VOTER RIGHTS BY PASSING THE VOTING RIGHTS ACT

(Mr. CLYBURN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLYBURN. Mr. Speaker, the genesis of the Voting Rights Act lies in that period of American history just after the Civil War when various creative devices were put in place to prevent and dilute the impact of black voters and votes.

The 1965 act did away with many of those devices, many of which were used in my home State, devices such as full-slate voting, where in order for your vote to count, you had to vote for your choice once and against that choice for as many times as there were vacancies on the ballot, numbered posts which set up racially polarized voting, at-large voting which diluted the impact of black votes. All of these creative devices were gotten rid of with the 1965 Voting Rights Act.

But, Mr. Speaker, I used to teach history, and I always told my students that if a thing has happened before, it can happen again. And I do know that if we do not have the protection of the Voting Rights Act, we can see our States revisiting many of those creative devices.

HEAL THE WOUNDS OF RACISM BY PASSING THE VOTING RIGHTS ACT

(Mr. SCOTT of Georgia asked and was given permission to address the House for 1 minute.)

Mr. SCOTT of Georgia. Mr. Speaker, this Voting Rights Act is the most important piece of legislation that has been passed in this modern time in our Congress.

As I stand here, I am reminded of the words that we used so much as we would go through the South, going up against the Bull Connors, going up against the night riders, going up against the Ku Klux Klan with the courage that was taken and that is still needed today because, unfortunately, discrimination still exists throughout this Nation in various places.

And for those who want to say, why punish the South or why punish the State, why is it that you would think of the Voting Rights Act as a punishment? The Voting Rights Act is not a punishment. It is a liberator of those who have been punished, where all they have had was to sing that song: "Sometimes I feel discouraged, feel my work's in vain; but then the Holy Spirit revives my soul again. There is a balm in Gilead to heal the sin-sick soul. There is a balm in Gilead that makes the wounded whole."

This balm in Gilead for us today is the Voting Rights Act to heal the wounds of racism that have been inflicted on this country and that we still, unfortunately, suffer from.

Let us vote to pass this Voting Rights Act this day and this week and send a resounding message that America is for everybody, black as well as white, rich as well as poor, all of us.

THE TRAGEDY IN INDIA

(Mr. HASTINGS of Florida asked and was given permission to address the House for 1 minute.)

Mr. HASTINGS of Florida. Mr. Speaker, my colleagues have made the case for the extension of the Voting Rights Act, and I echo their sentiments. When this matter comes to the floor, if it comes, and it should today be made in order as a rule, then I will have an opportunity to speak more in that regard.

But today I rise, in addition to asking in the world's oldest democracy that we extend the Voting Rights Act, that we recognize that on yesterday the world's largest democracy was attacked in a significant and condemnatory way.

These events seem to take place on days of the 11th, and yesterday in India, despicable acts took place by those who would take the lives of innocents. In Madrid, in London, in Bali, the same thing happened.

I do acknowledge the fact that hurriedly yesterday the foreign minister of Pakistan condemned those bombings, and I commend him in that regard.

It was said earlier and reported today in one of our newspapers that in Europe it was said after September 11, "We are all Americans now." Today, after yesterday in India, "We are all Indians now."

PROVIDING FOR CONSIDERATION OF H.R. 2990, CREDIT RATING AGENCY DUOPOLY RELIEF ACT OF 2006

Mrs. CAPITO. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 906 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 906

Resolved, That at any time after the adoption of this resolution the Speaker may, pur-

suant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2990) to improve ratings quality by fostering competition, transparency, and accountability in the credit rating agency industry. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend with or without instructions.

□ 1100

The SPEAKER pro tempore. The gentlewoman from West Virginia (Mrs. CAPITO) is recognized for 1 hour.

Mrs. CAPITO. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentlewoman from California (Ms. MATSUI), pending which I yield myself such time as I may consume.

Last night, the Rules Committee granted a structured rule for H.R. 2990, the Credit Agency Duopoly Relief Act of 2006. The rule provides 1 hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services; waives all points of order against consideration of the bill. The rule also provides that the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill shall be considered as an original bill for the purpose of amendment and shall be considered as read.

The rule makes in order only those amendments printed in the Rules Committee report accompanying the resolution. It also provides that the amendments printed in the report may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

The rule waives all points of order against the amendments printed in the report and provides one motion to recommit, with or without instructions.

During consideration of the resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, this is a fair rule, making all germane amendments that were offered in the Committee on Rules in order.

The underlying legislation is an important, commonsense approach to providing greater transparency for credit rating agencies. Who can forget the scandals following the bankruptcies of Enron and WorldCom? Even more shocking is the fact that both corporations were given investment grade ratings by credit rating agencies just before their financial collapse. This misrepresentation resulted in the loss of millions of dollars for investors.

The root of the problem lies with the current process of recognizing statistical rating organizations by the Securities and Exchange Commission. The current process stifles competition and fosters an environment that has led to two rating agencies holding 80 percent of the market share.

A level playing field is needed so smaller companies with expertise in specific areas can enter the market. H.R. 2990 clearly lays out the registration requirements for rating agencies replacing the current opaque designation process by the SEC. By injecting the current system with competition and greater transparency, the quality of ratings will be enhanced.

This act will also provide greater investor protection, including provisions requiring rating agencies to be in the business of issuing credit ratings for at least 3 years prior to filing an application for registration as a nationally recognized statistical ratings organization, ensuring better quality assessments for investors.

Mr. Speaker, the economy is booming due in part to greater participation by investors in the various markets. Greater transparency, accountability and competition among credit ratings agencies will provide investors with better information and encourage future investment. The underlying legislation is a step in the right direction towards ensuring this success.

Finally, this legislation will improve the quality of information provided to

investors. It is no secret that a little competition improves quality and expands services offered. Armed with more reliable and accurate credit ratings, investors will continue to drive the economy and foster a more innovative environment.

I would like to remind all Members that the rule makes in order all germane amendments presented to the Committee on Rules.

I urge all Members to support this fair rule and the underlying legislation.

Mr. Speaker, I reserve the balance of my time.

Ms. MATSUI. Mr. Speaker, I yield myself such time as I may consume, and I thank the gentlewoman from West Virginia for yielding me the time.

(Ms. MATSUI asked and was given permission to revise and extend her remarks.)

Ms. MATSUI. Mr. Speaker, the issue we are debating today may not be glamorous, but I want to emphasize for our constituents its importance. H.R. 2990 will significantly affect the guidance investors receive on the soundness of all kinds of investments.

The type of debt rating that a company or municipality receives is an essential guidepost for investors, and the degree to which that rating is accurate has far reaching consequences. So by reforming the way that firms receive the stamp of legitimacy to offer these ratings, Congress is making a significant change.

As we have seen during the past few years, financial investments can have a huge impact on our constituents. Just ask anyone who held stock in Enron or WorldCom. This is about protecting investors, whether you manage your own portfolio or you rely on a pension for your retirement.

So we need to tread carefully as we consider how we determine which firms should be deemed nationally recognized statistical ratings organizations. Established in the 1970s, only credit agencies that receive this designation have the legitimacy to assess the likelihood of a company or a municipality to default on its debt. In other words, they tell investors whether they are likely to get paid back.

Today, there are only five firms that are nationally recognized by the Securities and Exchange Commission. The purpose of H.R. 2990 is to add to that number, increasing competition in the credit ratings market. This is a worthy goal. I know the Financial Services Committee has been exploring the best way to achieve it. Unfortunately, in its pursuit of quantity, this bill will sacrifice quality. This is a risky proposal that I do not believe the House should accept.

H.R. 2990 would allow virtually any firm to be considered a nationally recognized credit rating agency. The SEC would no longer be able to ensure that such firms are producing reliable and credible ratings. Under this new voluntary regime, any ratings agency that

has been around for 3 years and discloses its performance data can become nationally recognized. That is a pretty low bar.

I know the majority will argue that H.R. 2990 would allow market forces to sift the good credit rating agencies from the bad. While Democrats do not object to letting the market play a role in ensuring quality, why not let the experts at the SEC also evaluate the quality of the ratings firms? Congress needs to strike a balance between quantity and quality, but this bill falls short of that goal.

Under this bill anyone can open up shop and 3 years later be nationally recognized. That means we may be allowing firms that will offer an investment grade rating to anyone willing to pay, regardless of whether that rating is based on sound facts. As long as a rating firm continues to provide certain disclosures, it will still be nationally recognized, even if it issues credit ratings of the lowest possible quality.

Additionally, this bill could lead to a series of unintended consequences. Federal, State and local agencies, as well as many private sector entities, rely on the current definition of a nationally recognized credit rating agency. By undermining the credibility of this established benchmark, this bill could impose a significant burden on all of these groups, possibly increasing risks and imposing new costs for a wide swath of Americans.

Certainly, the House can increase competition in a more responsible way. Representative KANJORSKI, the ranking member on the Capital Markets Subcommittee, with the support of Ranking Member FRANK, has offered a logical substitute. It will ensure quality while moving to increase competition in the credit ratings market. I am pleased that the rule will allow a vote on this commonsense proposal.

The Kanjorski substitute would direct the SEC to expeditiously complete rulemaking on nationally recognized statistical ratings organizations. In doing so, the SEC would, for the first time, publicly define what constitutes a nationally recognized credit rating agency. It would also direct the SEC to design a process to identify new nationally recognized credit rating agencies. These steps would bring an unprecedented level of transparency and scrutiny to the selection process. The result will increase competition in the credit ratings market without the negative consequences associated with H.R. 2990.

The Kanjorski substitute will also encourage the establishment of a voluntary framework for industry self-regulation. This will further protect investors from conflicts of interest and other abusive practices.

To ensure that all of these reforms are effective, the Kanjorski amendment will require annual hearings on this topic for the next 5 years.

So Members have two options today. Both will increase competition in the

credit ratings market. However, only the Kanjorski substitute will ensure that investors continue to receive credible and reliable credit ratings from nationally recognized agencies.

I urge my colleagues to support this wise approach.

Mr. Speaker, another responsible policy that Members will have an opportunity to support today is an increase in the minimum wage. Just as the credit rating bill seeks to safeguard average Americans in the long term, so should Congress protect their immediate financial needs by increasing the minimum wage.

Mr. Speaker, I reserve the balance of my time.

Mrs. CAPITO. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. FITZPATRICK), the sponsor of the bill.

Mr. FITZPATRICK of Pennsylvania. Mr. Speaker, I thank my friend from West Virginia for providing me the time to speak on behalf of the Credit Rating Agency Duopoly Relief Act, H.R. 2990, the bill that I have introduced.

I am here today in support, and strong support, of the rule. Mr. Speaker, it is vital that Congress bring transparency, competition and accountability to the credit rating industry, and the time to do it is now.

Mr. Speaker, it is extremely disturbing that the two largest nationally recognized statistical rating organizations, known as NRSROs, in the industry, Moody's and Standard & Poor's, both rated Enron at investment grade just immediately prior to their bankruptcy filings. Essentially, Moody's and Standard & Poor's told the market that Enron was a safe investment.

Credit rating agencies claim that they are not in the business of detecting fraud, but they are most certainly in the business of impacting the bottom line of companies, municipalities and also school districts. The better the credit rating, the lower the interest rate the borrower must pay to expand its operations, construct a road or build a school.

Enron was not their only blunder. Moody's and Standard & Poor's also rated WorldCom as investment grade just prior to their bankruptcy filing, but there are other options throughout the marketplace.

Mr. Speaker, there are over 130 credit rating agencies in the financial market. However, only five are designated as nationally recognized statistical rating organizations by the Securities and Exchange Commission. This label, I would submit, is the root of the problem. To receive the elusive SEC distinction, companies must be nationally recognized; that is, their ratings must be widely used and generally accepted in the financial markets. This artificial barrier to entry has created a chicken and the egg situation for non-NRSRO credit rating agencies trying to enter this industry, thus forcing a duopoly that we have heard about.

Moody's and S&P have over 80 percent of the market share, and they are rating 99 percent of all debt issued. The lack of competition in the credit rating industry has lowered the quality of ratings, inflated prices, stifled innovation and allowed anti-competitive industry practices and conflicts of interest to go unchecked.

Mr. Speaker, in the wake of Enron and WorldCom, we must ensure integrity in the credit ratings process. H.R. 2990 would inject greater competition, transparency and accountability in the credit rating industry by eliminating the SEC staff's anti-competitive NRSRO process. This legislation replaces the current SEC staff designation process for credit rating agencies as NRSROs with a registration process like that for other market participants, such as investment advisors and broker-dealers.

In addition, H.R. 2990 would require each rating agency to disclose relevant information so that investors would have the information they need to select the rating agencies that they want to use. As a result, prices and anti-competitive practices will be reduced, credit ratings quality will improve, and firms will innovate.

Many organizations whose opinions matter support this legislation: The Bond Market Association, the Association for Financial Professionals, the Investment Company Institute, the Association for Financial Professionals, and the well-regarded Financial Services Roundtable, who opposes Moody's and Standard & Poor's.

Mr. Speaker, I urge a "yes" vote on the rule.

Ms. MATSUI. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts (Mr. MCGOVERN), my colleague on the Rules Committee.

Mr. MCGOVERN. Mr. Speaker, I have no problem with the rule before us. All germane amendments were made in order, but I rise because I do have a serious problem with the way this House is being run.

There is something very, very wrong with this Congress when the Republican leadership refuses to recognize and appreciate the important contributions of workers in this country, and consistently, and I would add callously, refuses to raise the Federal minimum wage.

The Federal minimum wage is \$5.15 an hour. A full-time minimum-wage worker's annual pay is \$10,712 a year. The last time Congress raised the minimum wage was 9 years ago, and during that same period of time, Congress has voted to increase its own salary nine times, totaling nearly \$35,000.

I would say to my colleagues on the other side of the aisle, Have a heart. Minimum-wage workers work every bit as hard as any Member of this Congress.

Mr. Speaker, if the Republican leadership continues to block a minimum-wage increase, then it should repeal the congressional pay raise.

□ 1115

Congress should not have a pay raise until low-income workers get a pay raise as well.

Mr. Speaker, there is no reason whatsoever for us not to raise the minimum wage. I have heard some of my colleagues on the Republican side say that increasing the minimum wage will hurt job growth. Yet, according to the Fiscal Policy Institute, since 1998, States with higher minimum wages experienced better job growth than States paying only the Federal minimum wage.

Among small retail businesses in those higher minimum-wage States, job growth was double the rest of the country. Mr. Speaker, even Wal-Mart, even Wal-Mart, hardly the champion of workers' rights, has come out in support of increasing the minimum wage, but not the Republican-controlled Congress.

Republican priorities, in my opinion, are messed up. You pass tax cut after tax cut after tax cut after tax cut for millionaires, but you give a cold shoulder to millions of American workers. You give billions of dollars in tax breaks and subsidies to big oil companies that are gouging Americans at the gas pump, but you will not do a thing for workers who can no longer afford to fill their gas tanks.

And while all your giveaways to the rich and powerful add greatly, hugely to our out-of-control deficit, increasing the minimum wage costs nothing; and if anything, will help workers spend more and, in turn, will help improve our economy.

Mr. Speaker, does any Member of this House believe that the Federal minimum wage, which is at \$5.15 an hour, is enough for a family to live, pay their bills, pay for gas, pay for health care, and get above the poverty line? Is the majority of this House so out of touch that they do not realize the urgency of this issue? Is corporate greed part of your Family Values Agenda?

It is time for this Congress to do what is right, to raise the Federal minimum wage.

Let us make a statement that we value all working Americans, not just the ones that contribute to your campaigns. You will have an opportunity today to make a difference by voting against the previous question so that we can bring an increase in the minimum wage up for a vote.

I urge my Republican colleagues to demonstrate to the workers of this country that you get it, that you care. The American people are tired of the indifference of your callousness, of your blatant disregard for their needs. This is supposed to be a government of the people, for the people, and by the people. It is time for this Congress to start acting like that.

Mrs. CAPITO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to remind my colleagues that the vote that we

are discussing is the rule on the duopoly bill, which will increase the number of credit rating agencies so that we can have more transparency, more accountability, so that not only investors will be protected, but also those folks who work for those businesses who have 401(k)s who have their savings invested in the company that they work for.

This will provide for them better protections, better transparency, and better accountability.

Mr. Speaker, I reserve the balance of my time.

Ms. MATSUI. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, let me just emphasize that there is no conflict between what the gentlewoman from West Virginia said and our approach. We are not trying to displace the underlying bill. We are seeking to defeat the previous question so we can also have a vote on the minimum wage.

Let me say first with regard to the underlying bill that the gentleman from Pennsylvania, who is the ranking member of our relevant subcommittee, who is a very thoughtful student of these matters, has a substitute; and I appreciate that it was made in order, which I think addresses the issue in a far more thoughtful fashion.

Interestingly, as he has noted, the approach we are taking here does not wait for input from the SEC, the Securities and Exchange Commission. I have found them to be in recent years a very thoughtful contributor to the process. So I will be strongly supporting the substitute the gentleman from Pennsylvania has put forward.

But none of that says that there is any conflict between that and the minimum wage. The amendment we will make, if the previous question is defeated, will not diminish any consideration of the underlying bill, it will simply give the House a chance to vote on the minimum wage.

Now, that is what the majority objects to. They do not believe sufficiently in the democratic process to allow a vote on it. Now, here is the reason. It certainly is not time. We finished up about 3 o'clock yesterday afternoon. We are going to finish about 3 o'clock this afternoon. We will be out Friday. We do very little those days.

The reason is very simple. There are two sets of issues around today. One set are issues that the American public favors and the majority does not. They do not come up, because the majority is afraid they might pass.

The other set of issues are those that the majority favors and the American public does not. They do not come up either. So we do very little because the majority has had to confront the fact that its agenda is unpopular with the American people. As Members of the majority are running for reelection, as are we, they are trying very hard to avoid those votes which would be un-

popular with their voters. What other justification is there for the House of Representatives not voting on the minimum wage?

If Members are opposed to it, let them vote "no." I must say that the evidence, the last time we raised the minimum wage in 1996, was overwhelmingly that the minimum-wage increase caused no negative effect on employment.

In fact, in those areas of the economy at that time where the minimum wage is relevant, there were job shortages because the minimum wage, if anything, may have influenced some people to enter the economy. So there is no economic reason to vote against it.

By the way, it is particularly relevant, and I speak here as a member of the Financial Services Committee, for us to bring it up in this context, because we have a bill that I have introduced into the Financial Services Committee supported by people on our side to give stockholders the right to vote on CEO salaries.

We have this extraordinary disparity in this country between hardworking people doing difficult and unpleasant jobs, 40 hours a week, for a pittance, \$5.15 an hour, too little to support their families; and then we have CEOs getting tens and hundreds of millions of dollars when there is no connection between their work and the success of their companies that anybody has been able to measure.

I will say, the majority is consistent. They do not want us to vote to raise the minimum wage, they do not want to vote to do anything about CEO salaries. By the way, we do not want Congress to set CEO salaries, we want to let the stockholders vote on them.

Well, the majority is consistent. They do not think that Congress ought to vote on the minimum wage, they do not think that stockholders ought to vote on how CEOs get paid with the stockholders' money.

I guess we should take some comfort from the fact that the majority does not want to allow a vote on this. The problem is that they understand that it is popular with the American people, and they are afraid that it might pass, or alternatively, it would fail only after, what, a 3-or-4-hour roll call, in which enough Members were pressured not to vote for it, so it would fail by one vote.

We are really here talking about not just economic fairness, but democracy. This bill is the only opportunity we have to get a vote on the minimum wage because the majority has refused to allow democracy to function.

Mrs. CAPITO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I find it rather ironic that the bill before us today is a bill that I think would help go a long way towards bringing more transparency and accountability to credit rating agencies. They agree with the principles behind the bill, which would avert and help the working people of

America to make not only better investment decisions, but to know that the company that they are working for and entrusting their savings with is going to have a fair and balanced look at their books.

We have no disagreement in terms of the rule. We have two different approaches to this, and I think we would really be well served to keep the debate looking towards how we can best protect those working people under the realm of the bill that we are discussing today.

Mr. Speaker, I reserve the balance of my time.

Ms. MATSUI. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania (Mr. KANJORSKI).

Mr. KANJORSKI. Mr. Speaker, I am generally pleased that the passage of this rule will make in order a substitute to H.R. 2990. I nevertheless rise to express some concerns about the rule, as well as to articulate some of my apprehensions about the underlying bill.

Regarding the rule itself, the 20 minutes of debate for the substitute should have been longer in considering H.R. 2990. We also have a classic debate here on quantity versus quality.

At its core, 2990 seeks to promote competition among nationally recognized credit raters by increasing the quantity of approved agencies. Critics of the present designation system have raised legitimate concerns about competition. I agree with the supporters of 2990 that increasing competition in the credit ratings used for regulatory purposes is a desirable goal.

We, however, should not seek to increase quantity of raters by sacrificing the quality of their ratings. In this debate, the issue of quality of ratings is at least equally important as the issue of quantity of raters. We, therefore, should have had an equal amount of time to debate this quantity-quality question on the floor. An equally balanced debate between the substitute and the general debate on the bill would have allowed for a more thorough vetting of these important matters.

Now, let me turn to the bill itself. I would like to use the remainder of my time to make some observations.

First, a robust, free market for trading debt securities relies on an independent assessment of financial strength provided by credit rating agencies, entities like Moody's, Fitch and Standard & Poor's.

I have deep concerns and reservations about considering H.R. 2990, because it dramatically alters the way in which we identify the bodies that issue the credit ratings used for essential regulatory purposes and undermines the integrity of credit ratings. More significantly, I am concerned that 2990 could allow history to repeat itself.

Under the worst case scenario, the bill would allow financial institutions to hold debt instruments in their portfolios that would not truly be investment grade, causing another taxpayer

bailout similar to the savings and loan crisis. Moreover, the area of rating agency oversight is very technical. We should have thus worked with the experts of the Securities and Exchange Commission on these specialized matters.

The failure to work with our Nation's primary securities regulator on H.R. 2990 is unexplainable, and a poor way to develop public policy. Instead of taking a hard approach with the Securities and Exchange Commission and guiding the legislation for the best interests of the public, we do neither.

Mr. Speaker, this is important, not necessarily to the wealthiest or most sophisticated investors in America; this is important to the average investors in America, their pension funds and other investment instrumentalities. These nationally recognized statistical rating organizations are not just some dealership; they rate quality of portfolios that affect trillions of dollars in our economy.

If we open up for purposes of quantity and competition this registration without addressing the question of quality, we run the risk that the misusers of this proposal will file, will register as a nationally recognized statistical rating organization, and will literally be able to sell their ratings to portfolios in the future and to instruments in the future.

What will happen and what is the weakness here? This bill can pass today, open up those loopholes and the reality will not be known for 5, 10 or 15 years, until the next financial crisis in this country.

We have no need to make this rush today. We should do it right. I ask that the substitute be supported.

Mrs. CAPITO. Mr. Speaker, I reserve the balance of my time.

Ms. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Speaker, I thank the gentlewoman from California for yielding me time.

Mr. Speaker, today we are considering legislation brought by the majority party that will help investors invest and help Fortune 500 companies increase their bottom line. I want to talk about 15 million people who will not be affected by this bill, who will not be investing any money this year, the 15 million people trapped by the low level of the Federal minimum wage.

Mr. Speaker, we should be discussing legislation today to increase the Federal minimum wage. The Federal minimum wage has not been brought to a vote on the House floor because the majority party will not allow it to be brought. And yet millions of people are stuck at a low minimum wage of \$5.15 an hour.

Just think about it. You do not have to have a vivid imagination to understand how hard it is for a family, and many families we are talking about, not just high school kids, many fami-

lies trying to get by on \$5.15 an hour, the lowest level in purchasing power in 50 years.

We will have a recorded vote in a few minutes on the previous question. This is not an arcane parliamentary procedure. Every editorial board, every citizen group, every voter ought to understand what this vote means. It means, will we have a vote on the floor about raising the minimum wage to something that is tolerably humane?

□ 1130

We have the time to do it. Mr. FRANK pointed out, yesterday we finished legislative business midafternoon, today we will finish in the midafternoon. Friday we won't even be in. We have time. We could do it.

But I ask the majority party, do you think we have no time? Has the majority party no heart? Have they no brain? The evidence is clear: Raising the minimum wage makes economic sense.

It is not just a matter of compassion and heart, although that should be reason enough to raise the minimum wage, but it is also good economic practice.

We have the opportunity to do it. The minimum wage has been frozen for nearly 9 years at this low, inhumane rate. The vote on the previous question is a very clear vote; it is whether or not we are going to leave these people stranded at the low, inhumane, minimum-wage rate, or whether we, on the floor, are going to consider raising it. That is what the vote means.

Mrs. CAPITO. Mr. Speaker, it is my honor to yield 4 minutes to Mr. BAKER of Louisiana, a champion of the Financial Services Committee.

Mr. BAKER. I thank the gentlewoman for yielding time.

Mr. Speaker, I rise today to express concern about where we are and where we have been with our current credit rating agency methodologies.

Many have come to the well today to express concern that we will be sacrificing quality for the sake of quantity. Let us simply go back a few short months, a few short years, and think about the irate comments made on the floor of this House with the disclosures of WorldCom and Enron and Global Crossing; and you make your own list. Guess what, the keepers of the gate were on duty when all that happened.

We can go back a little further to the tragic loss of taxpayer resources in the S&L crisis. Guess who was on duty.

It is the structure that some stand before the House today to defend and decry that we are going to sacrifice quality. Well, gentlemen, if that is your definition of quality, we have had enough. It is time to make a change.

What do we suggest? Just lightly opening the doors and let someone run down the hall and say, now I am an NSRSO, I am qualified? No, you have to be in business for 3 years. That is a pretty long internship to spend money and resources to establish you have the ability to issue credit ratings on which the market invests its confidence.

Let us think one more step, Fannie Mae and Freddie Mac. Some may be surprised to know that after a multiyear, multibillion dollar restatement, Fannie Mae cannot issue financials that meet their auditing requirements for the public benefit. Today, they can't.

Others may be surprised to learn that 43 percent of America's financial institutions have 100 percent of their tier one capital requirement invested in Fannies and Freddie's. Now, some people rush to say, oh, no, it is not all Fannies and Freddie's. Oh, great, it is Farm Credit System; that is even better.

The point is, we have the financial security of our Nation and our financial system invested for the money in the sock drawer when things go bad, the tier one capital requirement, so if they hit a bump in the road, they can reach in the drawer and pull out a few bucks and pay off the loan. That money is tied up in Fannie and Freddie securities that this enterprise, S&P and Moody's, have said are great, they are fine, notwithstanding the fact that for 5 years corporate executives paid themselves \$250 million in bonuses on financials where they cooked the books. Boy, we have got a great system; I am going to fight to the death over preserving this.

Look at what it has done for America's taxpayers and American investors. Man, if there ever was a clear-cut case to make a change, why aren't we making the change? If you don't believe me, go to McGraw-Hill's Web page. Go to McGraw-Hill's Web page and look at the income from S&P, which is a subsidiary of McGraw-Hill. In 2005, their operating revenue was 2.4 billion; their operating profit was 1 billion. Now, friends, a 42.5 percent rate of return on your operating expense is a pretty hefty rate of return; it represents 68 percent of McGraw-Hill's entire operating profit. McGraw-Hill is only one of 34 companies to have increased its dividend payments for 33 consecutive years.

Put it in perspective. In looking at the first quarter performance in 2005 versus the similar quarter in 2004, McGraw-Hill actually lost money in its educational activities. It had in its information and media arena, down 65 percent; but financial services, which is S&P, it was up \$222,512,000.

I think I figured out 222 million reasons why this bill is controversial. It is a fight about money. Let's get it right this time.

Ms. MATSUI. I yield 5 minutes to the gentleman from Wisconsin, my friend, Mr. OBEY.

Mr. OBEY. Mr. Speaker, we are being asked why we are raising the issue of the minimum wage on this legislation. The answer to that is very simple: The way this House works, absolutely nothing can be brought to the floor for a House vote unless we have the permission of the majority party leadership to do so. And the fact is that for the

last month they have been absolutely stonewalling every single effort to bring an increase in the minimum wage to this floor. So that is why we are raising this question on this rule.

This President and this Congress, this year, are going to provide \$50 billion in tax cuts for people who make more than \$1 million a year. This year, the Congress has virtually voted to repeal the inheritance tax on the wealthiest 1 percent of people in this society. This year, the Congress has also voted to make further cuts in capital gains, a huge portion of which go to the wealthiest 10 percent of the people in this country. This year, the Congress is apparently willing to allow the cost-of-living increase to go through for Members of Congress, but for those stuck at the bottom of our economy on the minimum wage, they are being told, "sorry, suckers, you have got to wait for the ninth year in a row without an adjustment in your wages."

That is not right, it is not fair, and it is not moral.

The value of the minimum wage is at a 51-year low. The gap between the wealthiest 1 percent of people in this society and everybody else has never been broader than it is today. It is far worse than it is in merry olde England with its monarchy and its House of Lords and its House of Commons.

This economy is working fabulously well for the Shaquille O'Neals of this society or the CEOs of our Fortune 500 corporations. They are making at least 200 times as much as the average workers do in this country. Under Jack Kennedy, that ratio was about 16 times as much. That shows you what has happened over the past generation.

A minimum-wage increase can help make this economy work for everybody, not just those at the top of the ladder. It can help lift all boats, not just the yachts.

This Congress has had time to name dozens of post offices, it has found time to tell Terry Schiavo's family in Florida how to handle their own private business, but somehow the Republican leadership of this House can't find the time to respond to the needs of people on life's underside.

It is about time we have a change in direction on that score in this country. It is about time we have a change of heart in this place. It is about time that we do something about the wage needs of the poorest people in this society. And that is why I would urge people to vote against the previous question in protest to the Republican leadership's stonewalling of this issue.

Mrs. CAPITO. Mr. Speaker, I reserve the balance of my time.

Ms. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland, the Democratic whip, Mr. HOYER.

Mr. HOYER. Mr. Speaker, I thank the gentlewoman for yielding, and I rise and I certainly adopt the remarks of Mr. OBEY from Wisconsin.

We are talking about a credit bill. We are talking about making it in order.

In order to have credit, you have to have resources. In order to have resources in our country, we think you need to work. And when you work, we ought to pay you. We ought to pay you a decent, fair wage for working hard and playing by the rules.

Now, some would say, well, we ought not to put this on this credit bill. If we defeat the previous question, we are going to offer an increase in the minimum wage to \$7.25 over three increments starting with January 1, the Miller-Owens bill. We are going to offer that because we think it is the right thing to do. We are going to offer it because we think the overwhelming majority of Americans think it is the right thing to do. In fact, in polling data, they show that 86 percent of Americans think it is fair and right and timely to increase the minimum wage.

If, in 1968, we applied simply the same cost-of-living adjustment we provided for Social Security recipients, minimum-wage workers would be earning \$9.05 today. Now, what would that do? That would take them above the poverty line. Right now, if you work hard and play by the rules and you are one of 6.6 million Americans, 75 percent of whom are adults, and you take them and pay them fully the minimum wage, they are living in poverty. That is not right in America.

In Florida, they put this issue on the ballot, and 72 percent of Floridians went to the polls and not only increased the minimum wage, but included in it a cost escalator for inflation, 72 percent of Floridians.

Ladies and gentlemen, this is the fair thing to do, it is the right thing to do, it is the timely thing to do.

And, very frankly, those on the minimum wage, mired in poverty and hopelessness, we talk about an opportunist society. There is no opportunity living in poverty. If you believe in an opportunist society, you believe in paying people a decent wage so in the richest Nation on the face of the Earth they have an opportunity to survive.

This President talks about an ownership society. Which one of you thinks that on \$5.15 an hour you can own anything, your car, your home, your hope?

What defeating the previous question will do is it will give hope to 6.6 million people, and indeed many more, because those 6.6 million people live in families that are struggling as well, and they are participating in trying to make it with those families.

Ladies and gentlemen, defeat the previous question. Let us pass the minimum wage. It is far past the time when we should have done that, but it is time today that we do that. Let's be fair. Raise the minimum wage.

Mrs. CAPITO. Mr. Speaker, I reserve the balance of my time.

Ms. MATSUI. Mr. Speaker, I have no further speakers. And since the gentlewoman has no further speakers, I will go to closing.

The SPEAKER pro tempore. The gentlewoman from California has 3½ minutes remaining.

Ms. MATSUI. Mr. Speaker, I will be asking Members to vote "no" on the previous question so I can amend the rule and provide this House with an opportunity to vote on legislation to increase the Federal minimum wage, something that has not happened in almost 10 years.

I ask unanimous consent to insert the text of the amendment and extraneous materials immediately prior to the vote on the previous question.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. MATSUI. Mr. Speaker, my amendment to the rule provides that immediately after the House adopts this rule, it will bring H.R. 2429 to the House floor for an up-or-down vote. This bill will gradually increase the minimum wage from the current level of \$5.15 an hour to \$7.25 an hour after about 2 years.

This bill has 136 cosponsors and a discharge petition to bring to the House, the bill to the floor, and has the signatures of 190 Members of the House. This bill is also identical to language as included in the Labor-HHS appropriations bill that was blocked by the leadership just last month.

Mr. Speaker, it is unconscionable that this Congress has refused to help America's low-income workers and their families by increasing the minimum wage. Somehow there is always time for another tax break for multimillionaires who don't need the money, but nothing to ease the financial struggle that low-income families face each day.

The minimum wage is now at its lowest level in 50 years. A full-time, minimum-wage earner earns just \$10,700 a year, an amount that is \$5,000 below the poverty line for a family of three. It takes a full day's pay just to pay for a tank of gas.

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Mr. Speaker, I urge all Members to vote "no" on the previous question so that we can help millions and millions of American workers who would directly benefit from an increase in the minimum wage.

I yield back the balance of my time.

Mrs. CAPITO. Mr. Speaker, let me conclude my remarks by reminding my colleagues that defeating the previous question is nothing more than an exercise because the minority wants to offer an amendment that would otherwise be ruled out of order as non-germane. So the vote is without substance.

The previous question vote itself is a procedural motion to close debate on this rule and proceed to a vote on its adoption. The vote has no substantive policy implications whatsoever.

At this point in the RECORD, Mr. Speaker, I insert an explanation of the previous question.

THE PREVIOUS QUESTION VOTE: WHAT DOES IT MEAN?

House Rule XIX ("Previous Question") provides in part that:

There shall be a motion for the previous question, which, being ordered, shall have the effect of cutting off all debate and bringing the House to a direct vote on the immediate question or questions on which it has been ordered.

In the case of a special rule or order of business resolution reported from the House Rules Committee, providing for the consideration of a specified legislative measure, the previous question is moved following the one hour of debate allowed for under House Rules.

The vote on the previous question is simply a procedural vote on whether to proceed to an immediate vote on adopting the resolution that sets the ground rules for debate and amendment on the legislation it would make in order. Therefore, the previous question has no substantive legislative or policy implications whatsoever.

Mr. Speaker, I would like to say that the underlying legislation is an important step towards improving transparency in the credit rating industry and the quality of information provided by the agencies. The industries receiving credit ratings are wide-ranging, from information technology, healthcare, manufacturing, financial services, and the list goes on.

I would also like to remind my colleagues that many, many workers in America and investors in America are heavily reliant on the full health of the companies that they work for and invest in, all up and down the economic ladder. Allowing smaller industry specific credit rating agencies to enter the market will improve the information provided to investors.

We cannot forget those workers of Enron and WorldCom who were saving for colleges, saving for retirement, and basically left penniless. With the ever-increasing importance placed on these ratings by investors, it is important that clear requirements for registration of credit rating agencies be created, and this legislation is a giant step towards that goal.

I would like to remind my colleagues that this fair rule makes in order all germane amendments that were presented to the Committee on Rules.

The material previously referred to by Ms. MATSUI is as follows:

PREVIOUS QUESTION ON H. RES. 906, RULE FOR H.R. 2990 CREDIT RATING AGENCY DUOPOLY RELIEF ACT

At the end of the resolution add the following new section:

"SEC. 2. Immediately upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 2429) to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill to final passage without intervening motion except: (1) 60 minutes of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce; and (2) one motion to recommit with or without instructions."

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not

merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308-311) describes the vote on the previous question on the rule as "a motion to direct or control the consideration of the subject before the House being made by the Member in charge." To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling on January 13, 1920, to the effect that "the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition" in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R09Illinois) said: "The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition."

Because the vote today may look bad for the Republican majority they will say "the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution * * * [and] has no substantive legislative or policy implications whatsoever." But that is not what they have always said. Listen to the Republican Leadership Manual on the Legislative Process in the United States House of Representatives, (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual: Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule * * * When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment."

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled "Amending Special Rules" states: "a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate." (Chapter 21, section 21.2) Section 21.3 continues: "Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon."

Clearly, the vote on the previous question on a rule does not have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda to offer an alternative plan.

Mrs. CAPITO. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. MATSUI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

CARL D. PERKINS CAREER AND TECHNICAL EDUCATION IMPROVEMENT ACT OF 2005

Mr. McKEON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 250) to amend the Carl D. Perkins Vocational and Technical Education Act of 1998 to improve the Act, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 250

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Carl D. Perkins Career and Technical Education Improvement Act of 2005".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. References.
- Sec. 3. Purpose.
- Sec. 4. Definitions.
- Sec. 5. Transition provisions.
- Sec. 6. Limitation.
- Sec. 7. Authorization of appropriations.

TITLE I—CAREER AND TECHNICAL EDUCATION ASSISTANCE TO THE STATES

- Sec. 101. Career and technical education assistance to the States.
- Sec. 102. Reservations and State allotment.
- Sec. 103. Within State allocation.
- Sec. 104. Accountability.
- Sec. 105. National activities.
- Sec. 106. Assistance for the outlying areas.
- Sec. 107. Native American program.
- Sec. 108. Tribally controlled postsecondary career and technical institutions.
- Sec. 109. Occupational and employment information.
- Sec. 110. State administration.
- Sec. 111. State plan.
- Sec. 112. Improvement plans.
- Sec. 113. State leadership activities.
- Sec. 114. Distribution of funds to secondary school programs.
- Sec. 115. Distribution of funds for postsecondary career and technical education programs.
- Sec. 116. Special rules for career and technical education.
- Sec. 117. Local plan for career and technical education programs.
- Sec. 118. Local uses of funds.
- Sec. 119. Tech-Prep education.

TITLE II—GENERAL PROVISIONS

- Sec. 201. Redesignation of title.
- Sec. 202. Fiscal requirements.
- Sec. 203. Voluntary selection and participation.
- Sec. 204. Limitation for certain students.
- Sec. 205. Authorization of Secretary; participation of private school personnel.